

LCFS Monitoring, Verification, and Sustainability

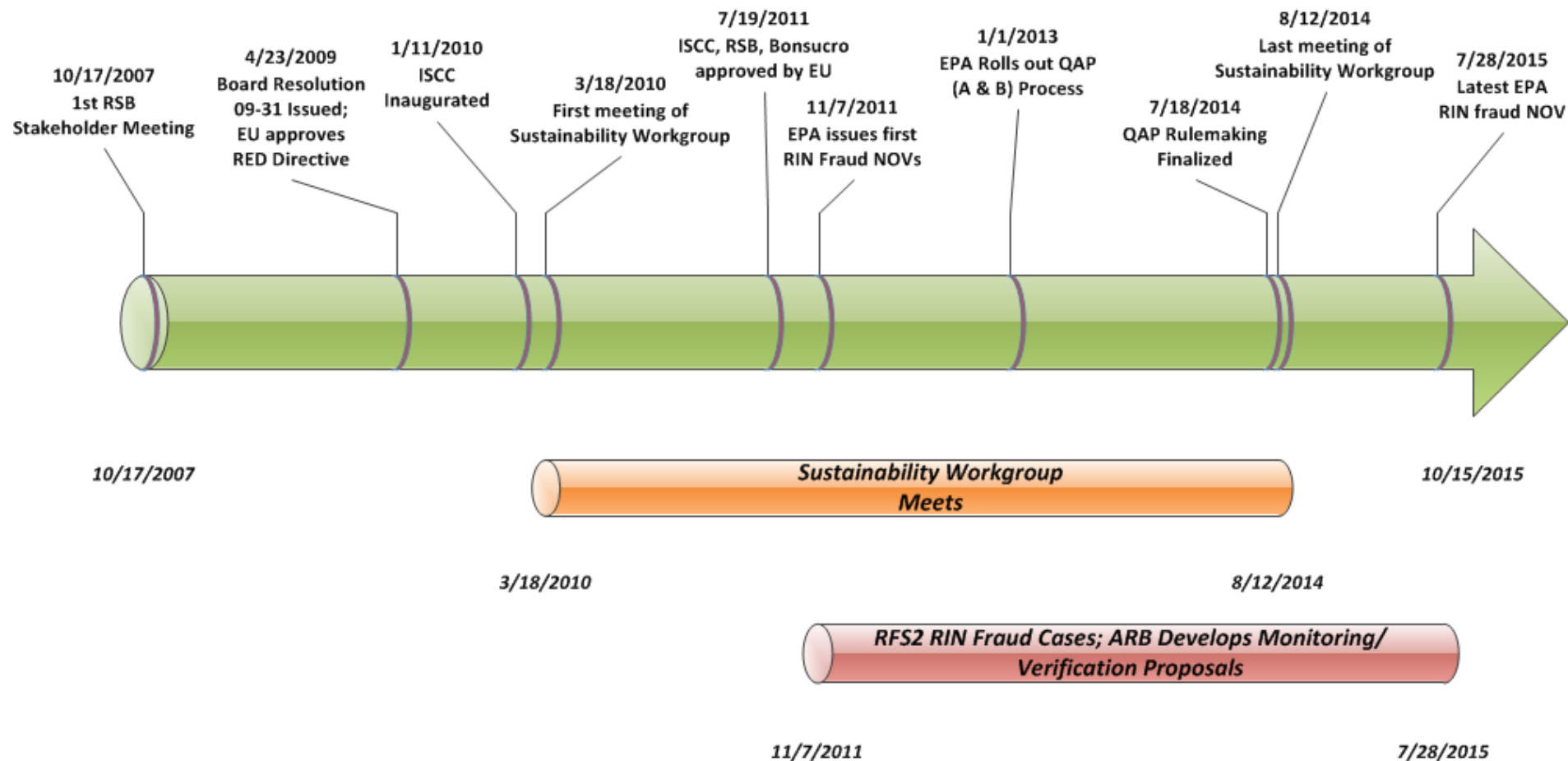
Public Workshop
Friday, November 6, 2015

November 6, 2015
Sacramento, CA

California Environmental Protection Agency
 **Air Resources Board**

Historical Overview

Monitoring, Verification, Sustainability Certification



2016 LCFS Amendments

- Monitoring and Verification
- Sustainability

Definitions

Monitoring & Verification:

Assuring that the actual CIs of regulated fuels are consistent with the CIs under which transactions involving those fuels are being reported in the LCFS Reporting Tool

Sustainability:

More broadly concerned with the full range of environmental and social impacts associated with fuel production

The Need

CI Monitoring and Verification

- Adding LCFS monitoring and verification would:
 - Protect the Integrity of the LCFS credit market
 - Ensure accurate LCFS GHG emissions accounting
 - Support enforcement
- Fuel pathway CIs should be subject to periodic validation checks
- Initial verification of CI pathway application input data could speed evaluation process

The Need

Sustainability Certification

- Executive Officer directed by Board Resolution 09-31 to explore developing a workplan for LCFS sustainability
- Momentum from consumer demand for sustainably produced commodities
- Certification could be a vehicle for feedstock-phase CI flexibility
- Sustainability certification could address potential multimedia impacts

Examples

Monitoring and Verification of GHG emissions is currently carried out by

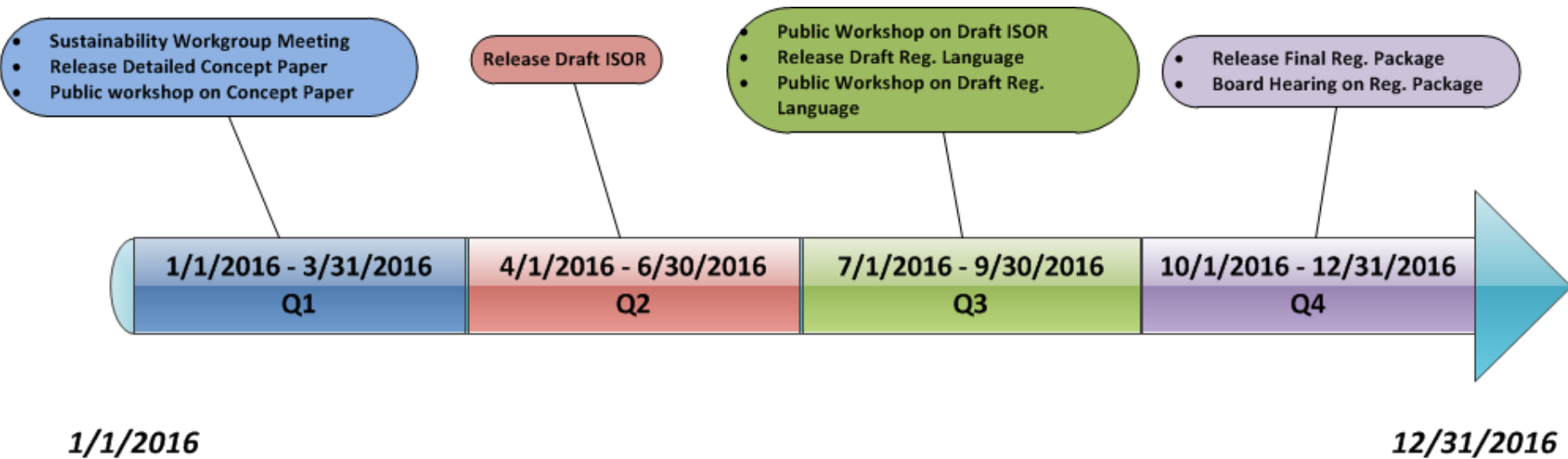
- ARB under the Mandatory Reporting Rule
- U.S. EPA's Quality Assurance Plan Program

Sustainability Certification is growing rapidly in the food commodity sector, driven by consumer demand

In the fuels sector, the European Union's Renewable Energy Directive requires that fuels that count toward quotas receive sustainability certification



Rule Development Timeline



Our Request

As we undertake the effort to develop a monitoring, verification, and sustainability proposal, we request your input.

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